

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

In re:

VANITY SHOP OF GRAND FORKS, INC.,

Debtor.

Chapter 11

Case No. 17-30112

**NOTICE OF B.E. CAPITAL'S APPLICATION TO ALLOW
CLAIM NO. 292 AS ADMINISTRATIVE EXPENSE**

NOTICE IS HEREBY GIVEN that B.E. Capital Management Fund LP has filed an application to allow Proof of Claim No. 292 as an administrative expense, a copy of which is attached and is served upon you.

NOTICE IS FURTHER GIVEN that written objections to said motion, if any, shall be filed with the Clerk of the United States Bankruptcy Court, Quentin N. Burdick Courthouse, 655 1st Avenue North, Suite 201, Fargo, North Dakota 58102, within TWENTY-ONE (21) days from the date of service hereof. Any objections not filed and served may be deemed waived.

Dated: August 25, 2017

STORCH AMINI PC

/s/ Jeffrey Chubak

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*Attorneys for Creditor B.E. Capital
Management Fund LP*

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

In re:

VANITY SHOP OF GRAND FORKS, INC.,

Debtor.

Chapter 11

Case No. 17-30112

**B.E. CAPITAL'S APPLICATION TO ALLOW
CLAIM NO. 292 AS ADMINISTRATIVE EXPENSE**

B.E. Capital Management Fund LP ("B.E. Capital") moves for an order, substantially in the form attached hereto as Exhibit 1, allowing Proof of Claim No. 292 (the "Claim"), filed by trade creditor Anfield Apparel Group, Inc. ("Anfield Apparel") in the amount of \$249,841.09 and subsequently transferred to B.E. Capital, a copy of which is attached hereto as Exhibit 2, as an administrative expense, and respectfully states:

INTRODUCTION

1. At the hearing held March 23, 2017, this Court invited Anfield Apparel to file an application for allowance of its unsecured claim an administrative expense, as a remedy for the Debtor's acknowledged failure to segregate and return goods subject to Anfield Apparel's timely reclamation demand. By this motion, B.E. Capital, as transferee of Anfield Apparel's claim and associated reclamation rights, moves for an order granting said relief.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter under 28 U.S.C. § 1334(b). This is a core proceeding under 28 U.S.C. § 157(b)(2)(B). Venue is proper pursuant to 28 U.S.C. § 1408.

BACKGROUND

3. The Debtor commenced this case on March 1, 2017.

4. The Debtor stated in its First Day Declaration [ECF No. 26] that it had \$4.3 million in first lien debt owed to Wells Fargo, and approximately \$5 million in second lien debt owed

to TGC, L.P. (“TGC”), a partnership owned-and-controlled by the Bottrell family (insiders) (*id.* ¶27) that filed its financing statement on February 1, 2017, a mere month before the petition date (*id.* ¶29).

5. The Wells Fargo loan was paid shortly following the petition date [ECF No. 278 ¶8].

6. Serious questions exist as to whether the TGC claim, filed in the amount of \$5.25 million (*see* Proof of Claim No. 281, a copy of which is attached as Exhibit 3), is entitled to treatment as a secured claim. The First Day Declaration references a Subordinated Credit and Intercreditor Agreement, dated as of August 27, 2013 (*id.* ¶28), but does not state that a security interest was granted by that instrument (or any other instrument). Moreover, TGC’s claim states it relates to various transfers made beginning July 2013, but the Debtor stated TGC’s alleged security interest was perfected on February 1, 2017, making 11 U.S.C. § 547(e)(2) likely inapplicable.¹ *See also* ECF No. 278 ¶9 (representation by Official Committee of Unsecured Creditors (“Committee”) that it intends to seek to avoid perfection of TGC’s security interest as a preference). The Committee also stated it is exploring whether the TGC claim should be recharacterization as equity. *Id.* ¶10; *see also* ECF No. 355 pp.1-2 (describing this case as “a controlled liquidation which includes the release of millions of dollars of potential insider liability,” suggesting it is highly unlikely the TGC claim would be allowed in full as a secured claim).

¹ Section 547(e)(2) provides that if a security interest is perfected within 30 days of the grant of the security interest, the transfer for section 547 purposes takes place at the time the security interest is granted, but if perfection occurs after the 30-day period the transfer takes place when the security interest is perfected.

7. On March 15, 2017, Anfield Apparel served a reclamation demand on the Debtor, a copy of which is attached to the Claim as Exhibit A. Five days later Anfield Apparel filed a notice with this Court that it timely served such a demand [ECF No. 142].

8. At the March 23, 2017 hearing on the Debtor's motion for authorization to pay prepetition taxes and related relief, the Debtor admitted that it did not keep records sufficient to identify which goods were subject to reclamation at the time a reclamation demand was served:

Mr. Brakke: To the extent the goods are, so to speak, in the warehouse, Your Honor, and essentially are still in the original shipping cartons, it is possible to identify goods subject to a reclamation claim.

We believe, Your Honor, that with one exception, which is a shipment of sunglasses with a value of approximately \$3,000, all of the other goods on which we've received reclamation claims have been shipped out of the warehouse long before the case was started ... It is simply impossible to trace ...

The Court: So actually returning merchandise, once it's been shipped from the crates at the original point of reception of the goods that were received, once it was shipped out to various stores, there's virtually no way to return the goods to the suppliers that provided them?

Mr. Brakke: There's no way to return them and there's also really no way to trace them to a particular shipment that might be the subject of a reclamation claim.

Mar. 23, 2017 Hr'g Tr. [ECF No. 250] ("Tr.") 34:17-35:5, 37:24-38:9.

9. At the hearing, the Debtor suggested creditors deprived of their reclamation rights by the Debtor's inability to trace goods subject to reclamation seek allowance of their claims as an administrative expense:

The Court: Okay. So the remedy would be --

Mr. Brakke: An administrative expense claim, which I would think would have far more value than inventory with Vanity labels that the manufacturers really can't make any use of if they recover it ...

Tr. 38:10-16.

10. And this Court agreed that an administrative expense was the appropriate remedy:

The Court: [I]f representations are correct and the goods cannot be traced and so you aren't going to have a genuine opportunity to retrieve inventory that your clients may have sent, then what you have is a claim for compensation. [I]f Mr. Brakke is correct, you may seek an administrative claim and receive that type of priority in the event you can achieve all of the necessary elements.

Tr. 64:24-65:13.

11. On April 18, 2017, Anfield Apparel commenced an adversary proceeding against the Debtor asserting claims for reclamation and imposition of a constructive trust (No. 17-30112).

12. Count 1 of the adversary complaint (cause of action for reclamation) sought a judgment directing the Debtor "to account for and return all of Plaintiff's goods supplied in the three prepetition shipments to Plaintiff," notwithstanding the Debtor's prior admission that returning such goods was no longer possible (Adv. Compl. ¶44; *see also* Prayer for Relief ¶1 (same)).

13. Count 2 of the complaint (cause of action for imposition of a constructive trust) sought a judgment "impress[ing] a constructive trust on Defendant's monies," or an "alternative equitable remedy using the Court's powers under title 11 § 105." (Adv. Compl. ¶¶52-53; *see also* Prayer for Relief ¶2 (same)).

14. On June 28, 2017, Anfield Apparel filed the Claim in the amount of \$249,841.09, representing the total amount of invoices attached to its reclamation demand. (A duplicate claim (Proof of Claim No. 282) was filed two days prior, which B.E. Capital has since withdrawn.)

15. B.E. Capital subsequently acquired the Claim and associated reclamation rights and filed a notice of transfer [ECF No. 385].

16. B.E. Capital agrees with the Debtor that if the goods subject to a reclamation demand cannot be traced, let alone returned, the remedy (but not the claim) of reclamation is unavailable. *See, e.g., In re Griffin Retreading Co.*, 795 F.2d 676, 679 (8th Cir. 1986) (“In this case the right to reclaim was meaningless since [the debtor] sold the goods thus removing them from the corpus of the bankrupt’s assets”).

17. Because B.E. Capital does not wish to pursue the constructive trust claim asserted in the adversary complaint (a remedy disfavored in bankruptcy), and the cause of action for reclamation asserted in the adversary complaint only sought the return of goods, and did not seek the alternative relief sought herein, B.E. Capital withdrew the adversary proceeding after substituting in for Anfield Apparel as plaintiff, without prejudice, preserving its right to seek allowance of the Claim as an administrative expense.

RELIEF REQUESTED AND BASIS THEREFOR

18. By this motion, B.E. Capital requests entry of an order allowing the Claim as an administrative expense.

I. ALL ELEMENTS OF A RECLAMATION CLAIM HAVE BEEN SATISFIED

A. All Statutory Elements of Section 546(c) are Satisfied

19. Section 546(c)(1) grants:

a seller of goods that has sold goods to the debtor, in the ordinary course of such seller’s business, [the right] to reclaim such goods if the debtor has received such goods while insolvent, within 45 days before the date of the commencement of a case under this title, but such seller may not reclaim such goods unless such seller demands in writing reclamation of such goods—

(A) Not later than 45 days after the date of receipt of such goods by the debtor; or

(B) Not later than 20 days after the date of commencement of the case, if the 45-day period expires after the commencement of the case.

20. The plain language of the statute makes reclamation an easy claim for a trade creditor to invoke. All it needs to do is show: (a) the goods subject to reclamation were sold in the ordinary course of business, (b) the debtor received the goods within 45 days prior to the petition date, (c) the debtor was insolvent when the goods were received, and (d) a timely written demand was made.

21. Each of the foregoing elements has been satisfied. It is undisputed the subject goods were sold in the ordinary course of Anfield Apparel's business, and that the goods were received by the Debtor during the 45-day window. Moreover, the Debtor admitted that it was balance sheet insolvent during this period. Specifically, the Debtor stated in its Schedules of Assets and Liabilities that as of the petition date, it owned assets worth \$12 million, but had \$9.6 million in secured debt (the Wells Fargo loan and TGC claim) and \$7.9 million in unsecured debt [ECF No. 188]; *see also* First Day Decl. ¶31 (acknowledging unsecured trade debt of \$5.7 million, in addition to secured debt outstanding as of the petition date).

B. Any Implicit Requirement that the Subject Goods be Identifiable in the Debtor's Possession is Also Satisfied

22. The Debtor has stated Anfield Apparel is ineligible for a reclamation claim because it cannot satisfy a non-statutory requirement that the goods sold be identifiable in the Debtor's possession at the time that the reclamation demand was received (Adv. Pro. No. 17-7011, ECF No. 7 pp.2-3).

23. That argument fails. At the outset, the (implicit) identification requirement does not mean what the Debtor says it means. The Debtor states it means a seller must establish that a debtor is capable of tracing goods subject to reclamation to a specific store location at the time a reclamation demand is received, so that the goods can be segregated and returned. However, the case law is clear the identification requirement means a seller need only demonstrate the debtor

possessed goods subject to reclamation when the demand was received. *In re Morken*, 182 B.R. 1007, 1016-17 (Bankr. D. Minn. 1995) (citing *In re Rawson Food Serv., Inc.*, 846 F.2d 1343, 1344, 1347 (11th Cir. 1988) (identifiable and in the debtor's possession requirement means "the debtor must possess the goods when the reclamation demand is made and therefore that the seller must prove possession as part of its prima facie case"), *In re Landy Beef Co.*, 30 B.R. 19, 20-21 (Bankr. D. Mass. 1983) (requirement means the goods must be in the debtor's possession and identifiable as those of the seller on the date of the demand), and *Oliver Rubber Co. v. Griffin Retreading Co.* (*In re Griffin Retreading Co.*), 56 B.R. 239, 241 (D. Minn. 1985), *aff'd sub nom.*, 795 F.2d at 676 (8th Cir. 1986) (same)).

24. The Debtor does not dispute it possessed goods subject to reclamation when Anfield Apparel's reclamation demand was received, but rather states it had no obligation investigate the matter because the determination of which goods it possessed could not be made without great difficulty due to the Debtor's inability to trace the subject goods.

25. That excuse is unacceptable. The Eighth Circuit made clear in *Griffin* the Debtor was required to seek prior court authorization before selling the Anfield Apparel goods once a reclamation demand was made. 795 F.2d at 679 ("If Griffin desired to utilize the goods for the purpose of effecting a reorganization then it had the burden of requesting such use from the court"). No exception was carved out by the Eighth Circuit where the goods were traceable only with great difficulty, or were not traceable, which makes sense given that possession, not traceability, is the sole implied element of a reclamation claim. *See also In re Hartz Foods, Inc.*, 264 B.R. 33, 36 (Bankr. D. Minn. 2001) (quoting *Griffin*, 795 F.2d at 679) (it is the "debtor-buyer's 'obligation,' once it had received notice of the seller's intent to reclaim, 'to hold the goods for re-delivery to the seller' or seek court approval to use the goods otherwise").

26. It is undisputed the Debtor did not seek Court authorization to sell Anfield Apparel goods after receipt of its reclamation demand. It would make no sense to permit the Debtor to defeat a reclamation claim by ignoring its obligation to do so, as it would in effect reward the Debtor for ignoring its obligations as debtor in possession. As noted in *In re McLouth Steel Prods. Corp.*, 213 B.R. 978, 986 (E.D. Mich. 1997):

Appellant should not be allowed to both have its proverbial cake and eat it, too, by claiming on the one hand that Appellees made improper claims because they did not establish that the goods were on hand [i.e., identifiable in the debtor's possession], and, on the other, by claiming that Appellees' claims were extinguished because the goods, which were on hand, after all, were sold to a third-party ... Appellant's arguments are particularly unpersuasive where it has been conceded by all of the parties to this appeal, that none of them are now in a position to make such a determination without incurring great expense. It is Appellant's conduct which prevented timely discovery of the facts which it now claims are crucial, and which are now likely beyond ascertaining.

(Emphasis added.) *See also In re Georgetown Steel Co.*, 318 B.R. 340, 348 (Bankr. D. S.C. 2004) (“Reclamation Creditors should not be prejudiced by any argument that their rights are somehow diminished because they cooperated with a sale of Debtor’s assets which included their goods”).

II. B.E. CAPITAL IS ENTITLED TO AN ADMINISTRATIVE EXPENSE

A. The Reclamation Right Extends to Proceeds of Subject Goods

27. It is well established the right of reclamation extends to proceeds of goods. *Pester Refining Co. v. Ethyl Corp. (In re Pester Refining Co.)*, 964 F.2d 842, 846 (8th Cir. 1992) (“after the secured creditors’ superior interests have been satisfied or released, the reclaiming seller retains a priority interest in any remaining goods and in any surplus proceeds from the secured creditors’ foreclosure sale”); *U.S. v. Westside Bank*, 732 F.2d 1258, 1263 (5th Cir. 1984) (reclamation right “extends to traceable proceeds from the sale of goods where all prior interests in those goods have been satisfied. To hold otherwise would in many instances render the statutory

remedy a nullity”); *In re Victory Mkts.*, 212 B.R. 738, 743 (Bankr. N.D.N.Y. 1997) (“The reclaiming seller retains a priority interests in any goods remaining and in any surplus proceeds remaining after the superior secured creditor’s interests have been satisfied or released”); *In re Child World*, 145 B.R. 5, 8 (Bankr. S.D.N.Y. 1992) (same); 4 White & Summers, Uniform Commercial Code § 32-11 (6th ed. 2005) (“a seller of goods in compliance with statutory requirements for reclamation of goods retains priority status to the traceable proceeds from the sale of goods seller seeks to reclaim, but takes subject to the rights of prior perfect secured lenders”).

28. As noted above, the Debtor admitted it did not keep records sufficient to trace Anfield Apparel goods upon receipt of its reclamation demand. Therefore, B.E. Capital, as transferee of the Claim, is entitled to a remedy.

29. The Debtor’s disregard for the reclamation demand and continued sale of goods subject to reclamation should not be allowed to defeat the reclamation right. As reclamation is intended to protect the vendor from the insolvent buyer’s deemed fraud (as described below), the right should not disappear as a result of the buyer’s continued bad behavior; otherwise debtors would be incentivized to ignore reclamation demands and continue to sell goods subject to those demands even where no prior lien exists or where such lien is satisfied. *See McLouth Steel*, 213 B.R. at 986 (quoted *supra*). This interpretation is not consistent with historical practice and is clearly not the purpose of section 546(c).

B. BAPCPA Did Not Eliminate this Court’s Ability to Award an Administrative Expense as a Remedy for a Debtor’s Failure to Segregate and Return Goods Subject to Reclamation

30. The 2005 amendments to the Bankruptcy Code, and to section 546(c) in particular, did not deprive this Court of authority to grant a reclaiming vendor a remedy other than retaking possession of its goods, including the ability to grant an administrative claim.²

31. B.E. Capital readily acknowledges section 546(c) no longer provides a court must grant a reclaiming vendor an administrative claim or junior lien if it prevents the creditor from reclaiming goods. However, the fact that Congress granted vendors a remedy in section 503(b)(9) in no way implies that it curtailed vendors’ rights to reclaim under an entirely separate section. The two sections (546(c) and 503(b)(9)) create separate remedies such that there are two separate rights. Although a vendor assuredly cannot be paid under section 503(b)(9) for goods reclaimed under section 546(c), there is no basis for curtailing a broad remedy (546(c)) because a vendor also has a narrow one (503(b)(9)).

32. Such an interpretation would also be inconsistent with the principle that “[w]hen Congress amends the bankruptcy laws, it does not write ‘on a clean slate.’” *Dewsnup v. Timm*, 502 U.S. 410, 419 (1993). Changes in prior practice are not presumed based on vague language absent “at least some discussion in the legislative history.” *Id.* See also *Keene Corp. v. U.S.*, 508 U.S. 200, 209 (1993) (“We do not presume that a revision worked a change in the underlying substantive law ‘unless an intent to make such [a] change is clearly expressed’”); *Hamilton v.*

² Prior to BAPCPA, section 546(c)(2) provided “the court may deny reclamation to a seller with such a right of reclamation that has made such a demand only if the court—(A) grants the claim of such a seller priority as a claim of a kind specified in section 503(b) of this title; or (B) secures such claim by a lien.” That subsection was replaced with current section 546(c)(2), which provides “If a seller of goods fails to provide notice in the manner described in paragraph (1), the sellers still may assert the rights contained in section 503(b)(9).”

Lanning, 560 U.S. 505, 515 (2010) (“Pre-BAPCPA bankruptcy practice is telling because we will not read the Bankruptcy Code to erode past bankruptcy practice absent a clear indication that Congress intended such a departure”). Abolition of the right to a remedy for reclamation other than the retaking of goods is inconsistent with longstanding precedent and an unreasonable reading of the statute.

33. Such an interpretation would also be unreasonable because BAPCPA was designed to enhance trade creditor remedies under the Bankruptcy Code. The changes to section 546(c) expanded the look-back period before bankruptcy during which goods may be subject to reclamation from 10 to 45 days and enlarged the postpetition grace period for making a reclamation demand from 10 to 20 days. Those changes reflect a clear congressional intent to improve reclaiming vendors’ rights, and it would be wholly inconsistent with those changes to limit courts’ ability to grant the relief sought herein. *See, e.g., In re Circuit City Stores, Inc.*, 416 B.R. 531, 536 (Bankr. E.D. Va. 2009) (section 1227 of BAPCPA (entitled “reclamation”), which is the provision through which section 546(c) was amended, “appears to have been adopted as an attempt by Congress to enhance certain types of reclamation claims raised by creditors in bankruptcy cases”); *In re SRC Liquidation, LLC*, No. 15-10541, 2017 WL 2992718, at *3 (D. Del. July 13, 2017) (citing *In re Circuit City Stores, Inc.*, 432 B.R. 225, 229 (Bankr. E.D. Va. 2010)) (same).

34. The deletion of the express requirement that a court grant replacement remedies under former section 546(c) cannot be read to strip the court of its authority and discretion to award an appropriate remedy under, *inter alia*, Bankruptcy Code section 105 to a reclaiming vendor when the court allows the debtor to retain its goods despite a vendor’s demand that the debtor return them.³

³ In fact, if the deletion of former section 546(c)(2) (the only section referencing alternative remedies to physical reclamation) could be read to do this, then under the same logic, it must be

35. Indeed, the leading bankruptcy treatise continues to recognize an administrative expense award is appropriate where a vendor's goods have been sold notwithstanding its assertion of reclamation rights. 5 Collier on Bankruptcy ¶546.04[2][b][vii] (16th ed.) (“A seller's administrative expense priority with regard to its reclamation claim is not extinguished by the sale of the goods subject to reclamation, even when the proceeds of the sale are used to satisfy a secured creditor's superior claim”).

36. Further, reclamation is an equitable right. The Official Comment to UCC § 2-702, as adopted in North Dakota and California (the state the goods were delivered and received), states that the seller's right to reclaim from an insolvent buyer “takes as its base line the proposition that any receipt of goods on credit by an insolvent buyer amounts to a tacit business misrepresentation of solvency and therefore is fraudulent as against the particular seller.” There must be a remedy for the victim of this deemed fraud, particularly in this case where the Debtor obtained goods in this deemed fraudulent manner and then sold the goods after receipt of a valid reclamation demand. Presumably, Congress would not intend to facilitate this type of behavior by relating reclaiming vendors to the status of general unsecured creditors and enriching the estate at the expense of the defrauded party. Or, as the Sixth Circuit held in rejecting the interpretation advanced by the Debtor, “It would be unjust to permit general creditors to benefit at the expense of one whose assets come into a bankrupt's possession under conditions which warrant rescission.” *Phar-Mor, Inc. v. McKesson Corp.*, 534 F.3d 502 (6th Cir. 2008) (quoting *In re Federal's Inc.*, 553 F.2d 509,

read to do so much more—because former section 546(c)(2) was also the only section referencing the court's authority to deny a reclamation demand and allow the debtor to keep and use the goods, under the Debtor's interpretation courts have also lost the power to deny reclamation, making it an absolute right. (B.E. Capital acknowledges this is not a reasonable interpretation of the statute. Courts have repeatedly recognized the importance of allowing a debtor to keep and pay for goods subject to reclamation to facilitate reorganization. *See, e.g., Pester Refining*, 964 F.2d at 845; *Griffin Retreading*, 795 F.2d at 679.)

518 (6th Cir. 1977)); accord *Manley v. Ohio Shoe Co.*, 25 F.2d 384, 385 (4th Cir. 1928) (“Such [general] creditors have no right to profit by the fraud of the bankrupt to the wrong and injury of the party who has been deceived and defrauded”).

37. Finally, reclamation under the UCC itself affords the reclaiming party a right to priority, by permitting the reclaiming creditor to recover goods received by an insolvent debtor, even though the insolvent debtor’s other creditors do not have such right and may not be paid in full on account of goods they delivered. As section 546(c) was intended to preserve state law reclamation rights, the right to priority afforded thereby can only be preserved where the subject goods cannot be returned or traced by the debtor through the award of an administrative expense.

C. The Absence of a Determination With Respect to the TGC Claim Should Not Preclude a Determination of the Subject Reclamation Claim

38. That the alleged perfection of TGC’s security interest has not yet been avoided as a preference, and that its claim has not yet been recharacterized, or otherwise compromised, should not preclude this Court from granting the relief sought herein. First, the Debtor and the Committee agree that even if the TGC claim—the sole outstanding secured claim—were allowed in full, there would be at least \$1 million available for distribution to unsecured creditors. ECF No. 355 pp.2-3 (“at a prior hearing, Debtor’s counsel admitted the near certainty that creditors of the estate will receive fractional distributions, with a total difference between and repayment of over \$1 million”). Second, nothing would preclude this Court from allowing the Claim as an administrative expense, subject to satisfaction of the TGC claim, to the extent that it is determined to be secured, should it determine conditioning of allowance on likely events to be appropriate. Third, it would be unfair to deny this motion as premature, given the risk that B.E. Capital would be penalized for sitting on its reclamation rights. *Cf. Paramount Home Entm’t v. Circuit City Stores, Inc.*, 445 B.R. 521, 529 (E.D. Va. 2010).

WHEREFORE, B.E. Capital requests that its Claim be afforded administrative priority and such other relief as this Court deems appropriate.

Dated: August 25, 2017

STORCH AMINI PC

/s/ Jeffrey Chubak

Jeffrey Chubak (admitted pro hac vice)

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*Attorneys for Creditor B.E. Capital
Management Fund LP*

EXHIBIT 1

Proposed Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

In re:

VANITY SHOP OF GRAND FORKS, INC.,

Debtor.

Chapter 11

Case No. 17-30112

ORDER ALLOWING CLAIM NO. 292 AS ADMINISTRATIVE EXPENSE

On the application of B.E. Capital Management Fund LP for an order allowing Proof of Claim No. 292 as an administrative expense; and due and proper notice having been provided; now therefore, IT IS ORDERED:

1. The motion is granted.
2. Proof of Claim No. 292 is hereby allowed as an administrative expense.

Dated: _____, 2017

United States Bankruptcy Judge

EXHIBIT 2

Proof of Claim No. 292, Filed by Anfield Apparel

Fill in this information to identify the case:

Debtor Vanity Shop of Grand Forks, Inc.

United States Bankruptcy Court for the: _____ District of North Dakota
(State)

Case number 17-30112

Official Form 410 Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Anfield Apparel Group, Inc.</u> Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Anfield Apparel Group, Inc. c/o The Fox Law Corporation 17835 Ventura Blvd., Suite 306 Encino, CA 91316 Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) Contact phone <u>8187743545</u> Contact email <u>srfox@foxlaw.com</u>	Where should payments to the creditor be sent? (if different) Anfield Apparel Group, Inc. 20851 Currier Rd. City of Industry, CA 91789 Contact phone _____ Contact email _____ Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6.	Do you have any number you use to identify the debtor?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____
7.	How much is the claim? \$ <u>249841.09</u>	Does this amount include interest or other charges? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. <u>goods sold</u>	
9.	Is all or part of the claim secured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. <div style="margin-left: 40px;"> Nature or property: <input type="checkbox"/> Real estate: If the claim is secured by the debtor's principle residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i>. <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> Basis for perfection: _____ Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) </div> <div style="margin-left: 40px; margin-top: 20px;"> Value of property: \$ _____ Amount of the claim that is secured: \$ _____ Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.) </div> <div style="margin-left: 40px; margin-top: 20px;"> Amount necessary to cure any default as of the date of the petition: \$ _____ </div> <div style="margin-left: 40px; margin-top: 20px;"> Annual Interest Rate (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable </div>	
10.	Is this claim based on a lease? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Amount necessary to cure any default as of the date of the petition. \$ _____	
11.	Is this claim subject to a right of setoff? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____	



<p>12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?</p> <p>A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.</p>	<div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Check all that apply: </div> <div style="text-align: right; background-color: #f2f2f2; padding: 2px 5px; font-weight: bold;">Amount entitled to priority</div> </div> <div style="margin-top: 10px;"> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 70%;"> <input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 5px;"> <div style="width: 70%;"> <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. </div> <div style="width: 25%; text-align: right;">\$ _____</div> </div> </div> <p style="font-size: small; margin-top: 10px;">* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.</p>
<p>13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?</p>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. <div style="text-align: right;">\$ _____</div>

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
- ☒ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 06/28/2017
MM / DD / YYYY

/s/Angela Yu
Signature

Print the name of the person who is completing and signing this claim:

Name Angela Yu
First name Middle name Last name

Title Authorized Agent

Company Anfield Apparel Group, Inc.
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 20851 Currier Rd., City of Industry, CA, 91789

Contact phone _____ Email _____



For phone assistance: Domestic (877) 634-7181 | International (424) 236-7226

Debtor: 17-30112 - Vanity Shop of Grand Forks, Inc. District: District of North Dakota, Fargo Division		
Creditor: Anfield Apparel Group, Inc. c/o The Fox Law Corporation 17835 Ventura Blvd., Suite 306 Encino, CA, 91316 Phone: 8187743545 Phone 2: Fax: 8187743545 Email: srfox@foxlaw.com	Has Supporting Documentation: Yes, supporting documentation successfully uploaded Related Document Statement:	
	Has Related Claim: No Related Claim Filed By:	
	Filing Party: Authorized agent	
Disbursement/Notice Parties: Anfield Apparel Group, Inc. 20851 Currier Rd. City of Industry, CA, 91789 Phone: Phone 2: Fax: E-mail: DISBURSEMENT ADDRESS		
Other Names Used with Debtor:	Amends Claim: No Acquired Claim: No	
Basis of Claim: goods sold	Last 4 Digits: No	Uniform Claim Identifier:
Total Amount of Claim: 249841.09	Includes Interest or Charges: No	
Has Priority Claim: No	Priority Under:	
Has Secured Claim: No Amount of 503(b)(9): No Based on Lease: No Subject to Right of Setoff: No	Nature of Secured Amount: Value of Property: Annual Interest Rate: Arrearage Amount: Basis for Perfection: Amount Unsecured:	
Submitted By: Angela Yu on 28-Jun-2017 1:20:22 p.m. Pacific Time Title: Authorized Agent Company: Anfield Apparel Group, Inc.		

Optional Signature Address:

Angela Yu

20851 Currier Rd.

City of Industry, CA, 91789

Telephone Number:

Email:

Fill in this information to identify the case:

Debtor 1 Vanity Shop Of Grand Forks, Inc.

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: District of North Dakota

Case number 17-30112

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	<u>Anfield Apparel Group, Inc.</u> <small>Name of the current creditor (the person or entity to be paid for this claim)</small> Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? <u>The Fox Law Corporation</u> <small>Name</small> <u>17835 Ventura Blvd., Suite 306</u> <small>Number Street</small> <u>Encino</u> <u>CA</u> <u>91316</u> <small>City State ZIP Code</small> Contact phone <u>(818) 774-3545</u> Contact email <u>srfax@foxlax.com</u>	Where should payments to the creditor be sent? (if different) <u>Anfield Apparel Group, Inc.</u> <small>Name</small> <u>20851 Currier Rd.</u> <small>Number Street</small> <u>City of Industry</u> <u>CA</u> <u>91789</u> <small>City State ZIP Code</small> Contact phone _____ Contact email _____
Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____		
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ <small>MM / DD / YYYY</small>	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 249,841.09 Does this amount include interest or other charges?
☒ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.
goods sold

9. Is all or part of the claim secured? ☒ No * See attachment. Claim may be secured.
☐ Yes. The claim is secured by a lien on property.
Nature of property:
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____
Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
Amount necessary to cure any default as of the date of the petition: \$ _____
Annual Interest Rate (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No

☐ Yes. Check one:

<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	Amount entitled to priority \$ _____
<input type="checkbox"/> Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
- ☒ I am the creditor's attorney or authorized agent.
- ☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- ☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 06/21/2017
MM / DD / YYYY

Signature

Print the name of the person who is completing and signing this claim:

Name Angela Yu
First name Middle name Last name

Title Authorized agent

Company Anfield Apparel Group, Inc.
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 20851 Currier Rd.
Number Street

City of Industry CA 91789
City State ZIP Code

Contact phone _____ Email _____

Vanity Shop Of Grand Forks, Inc.
Case No. 17-30112

Attachment to claim of Anfield Apparel Group, Inc.:

* Anfield Apparel Group, Inc. Has asserted a claim for reclamation (Exhibit "A") and filed a complaint seeking reclamation and impressment of a construction trust (Exhibit "B").

Exhibit “A”

The Fox Law Corporation
Bankruptcy & Related Matters

17835 Ventura Boulevard
Suite 306
Encino, CA 91316
818. 774. 3545 Ph / 818. 774. 3707 FAX
emails@foxlaw.com

March 15, 2017

Jon R. Brakke
Caren W. Stanley
Vogel Law Firm
218 NP Avenue
P.O. Box 1389
Fargo, ND 58107-1389

by email only to jbrakke@vogellaw.com
by email only to cstanley@vogellaw.com

Re: Vanity Shop of Grand Rapids, Inc., chapter 11 filing, 17-30112
Demand for Reclamation

Dear Sir and Madam:

This firm represents Anfield Apparel, Inc., a creditor in the chapter 11 case holding a claim for reclamation of goods.

Attached to this letter are three invoices and bills of lading for shipment of goods in or about early February by Anfield to the Debtor. The attached invoices, in the amounts of \$19,422, \$120,499 and \$109,919.60.

Anfield demands that the Debtor promptly segregate all of the delivered goods, account for them to Anfield and promptly return all of the goods referenced in the three attached invoices and bills of lading. 11 U.S.C. §546(c)(1) Anfield will separately file a notice with the Court.

Anfield reserves all of its legal rights. I would appreciate the chance to speak with you about this in the next few days.

Sincerely yours,

THE FOX LAW CORPORATION

Steven R. Fox

cc: Anfield Apparel, Inc.

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NORTH DAKOTA

In re:	)	NOTICE OF PERFECTION OF CLAIMS OF
	)	CREDITOR ANFIELD APPAREL GROUP,
Vanity Shop of Grand Forks, Inc.,	)	INC. UNDER 11 U.S.C. §546 AND DEMAND
	)	FOR SEGREGATION OF RECLAIMED
	)	GOODS
)	
	)	Bankruptcy No.: 17-30112
)	
Debtor.	)	Chapter 11

Comes Now Anfield Apparel Group, Inc., (“Anfield”) an active California corporation, with its Notice of Perfection under 11 U.S.C. §546.

Anfield delivered goods (the “reclaimed goods”) to the Debtor in or about early February, 2017. Anfield was not paid for the goods. As of the filing date of this case was owed monies as reflected in the attached invoices and bills of lading. The reclaimed goods are described in the attached invoices and bills of lading.

Anfield’s claim to reclamation of the reclaimed goods is based on valid and perfected and non-avoidable liens.

Anfield sold the goods on credit to the Debtor in the ordinary course of business, in the course of transactions with the Debtor. The Debtor was insolvent when Anfield delivered the goods. Anfield, here and by letter dated March 14, 2017, and addressed to Debtor’s counsel, has made timely written demands for the return of the reclaimed goods and has sufficiently described the reclaimed goods by reference to invoices and bills of lading which were attached to the March 14, 2017, letter and which are attached to this Notice. The Debtor had possession of the

goods as of the bankruptcy petition date and as of the date of both demands and the goods were not then in the hands of a buyer in the ordinary course of a good faith purchaser.

Anfield does not consent to the placing of any liens on the reclaimed goods for any purpose including any post-petition financing.

Dated: March 16, 2017

Respectfully submitted,

/s/ Steven R. Fox

Steven R. Fox
Fox Law Corporation
17835 Ventura Blvd., Suite 306
Encino, CA 91316
Telephone: (818) 774-3545
Facsimile: (818) 774-3707
Srfox@foxlaw.com
Attorney for Anfield Apparel Group,
Inc.

CERTIFICATE OF SERVICE

I hereby certify that on March 20, 2017, I electronically filed the foregoing NOTICE OF PERFECTION OF CLAIMS OF CREDITOR ANFIELD APPAREL GROUP, INC. UNDER 11 U.S.C. §546 AND DEMAND FOR SEGREGATION OF RECLAIMED GOODS with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all parties of record.

/s/ Steven R. Fox

Steven R. Fox
Fox Law Corporation
17835 Ventura Blvd., Suite 306
Encino, CA 91316
Telephone: (818) 774-3545
Facsimile: (818) 774-3707
Srfox@foxlaw.com
Attorney for Anfield Apparel Group,
Inc.

REVISED

TOM

Date: 1/31/2017		BILL OF LADING		Page <u>1</u>	
SHIP FROM The Vendor Name: Anfield Apparel Group, Inc. Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-595-6088 x 109 Fax: 909-595-2691			Bill of Lading Number: <u>170131</u> LOADING APPT: ARRIVAL TIME: LOADED: BAR CODE SPACE		
SHIP TO Name: Vanity c/o West Coast Warehouse Address: 100 W. Mainville Street, City/State/Zip: Compton, CA 90220 Tel: 310-835-8938 x 227 attn: Carlos FOB: <input type="checkbox"/>			CARRIER NAME: AEF FREIGHT Trailer number: Seal number(s): SCAC: Pro number: BAR CODE SPACE		
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3 rd Party <input type="checkbox"/> <input type="checkbox"/> (check box) Master Bill of Lading: with attached underlying Bills of Lading		
SPECIAL INSTRUCTIONS:					
CUSTOMER ORDER INFORMATION					
CUSTOMER ORDER NUMBER		# PKGS	PCS	PALETT/SLIP (CIRCLE ONE)	
PRO#241482 Sty#VJING00038A		192 ctns	2764 pcs	Y N	
241480 VJING0058		288 "	3371 "	Y N	
241476 VJING0043		182 "	3684 "	Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
				Y N	
GRAND TOTAL		580 ctns	9919 Pcs		
CARRIER INFORMATION					
HANDLING UNIT		PACKAGE		COMMODITY DESCRIPTION	
QTY	TYPE	QTY	TYPE	WEIGHT	LTL ONLY
11	Pkts	586	Ctns	10338 Lbs	NMFC # CLASS
11		580		10338 Lbs	
				GRAND TOTAL	
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____.				COD Amount: \$ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>	
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. - 14706(c)(1)(A) and (B). RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.					
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition				Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets sold to contain <input type="checkbox"/> By Driver/Pieces CARRIER SIGNATURE / PICKUP DATE Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available under carrier loss the U.S. DOT emergency response guidelines or equivalent documentation in the vehicle. Properly described above is received in good order, except as noted.	

Juan Enriquez 01/31/17

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789

Invoice

Date	Invoice #
2/2/2017	2017-099

Bill To
Vanity Shop of GGrand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
VJING0056...	11 SAS 5P HR LT HIGH LOW V 25	241527	1504	0	0	1,494	13.00	19,422.00
						Total		\$19,422.00
						Payments/Credits		\$0.00
						Balance Due		\$19,422.00

Date: 2/2/2017		BILL OF LADING		Page <u>1</u>	
SHIP FROM The Vendor Name: Anfield Apparel Group, INC., Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-595-6088 x 109 Fax: 909-598-2691			Bill of Lading Number: 170133 LOADING APPT: ARRIVAL TIME: LOADED: <div style="border: 1px solid black; height: 20px; width: 100%;"></div> BAR CODE SPACE		
SHIP TO Name: Vanity c/o CIS Address: 100 W. Manville Street, City/State/Zip: Compton, CA 90220 Tel: 310.635.9938 EXT 227			CARRIER NAME: <u>AEF</u> Trailer number: Seal number(s): SCAC: Pro number:		
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:			<div style="border: 1px solid black; height: 20px; width: 100%;"></div> BAR CODE SPACE		
SPECIAL INSTRUCTIONS:			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <u>X</u> Collect _____ 3rd Party _____ <input type="checkbox"/> (check box) Master Bill of Lading: with attached underlying Bills of Lading		
CUSTOMER ORDER INFORMATION					
CUSTOMER ORDER NUMBER	# PKGS	PCS	PALLET/SKIP (CIRCLE ONE)	DESCRIPTION	
241527	115	1494	Y N		
			Y N		
			Y N		
			Y N		
			Y N		
			Y N		
GRAND TOTAL		115 ctns	1494		
CARRIER INFORMATION					
HANDLING UNIT		PACKAGE		COMMODITY DESCRIPTION	
QTY	TYPE	QTY	TYPE	WEIGHT	H.M. (X)
2	PLTs	115	ctns	1675lbs	(X)
<small>Commodities requiring special or additional care or attention in handling or storing must be so marked and packaged as to ensure safe transportation with ordinary care. See Section 401 of NMFC near 500</small>					
<div style="font-size: 2em; transform: rotate(-15deg); opacity: 0.5;">100 2/3/17</div>					
2		115	1675lbs	GRAND TOTAL	
<small>Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____"</small>				COD Amount: \$ _____ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>	
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B). <small>RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.</small>					
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition				Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver	
Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets sold to consign <input type="checkbox"/> By Driver/Pieces				CARRIER SIGNATURE / PICKUP DATE <small>Carrier acknowledges receipt of packages and required manifests. Carrier certifies emergency response information was made available and/or carrier has the U.S. DOT emergency response guidebook or equivalent documentation in the vehicle. Property described above is received in good order, except as noted.</small>	

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice**

Date	Invoice #
2/1/2017	2017-098

Bill To
Vanity Shop of GRand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
VJING0056...	11 SAS SP LT ROLL V25	241484	1504	0	5	1,499	13.00	19,487.00
vjing0043-...	10 HAR 5P HR TINT RELEASE	241476	3694	3,371	0	323	13.20	4,263.60
VJING0048...	12 GIRLFRIEND 5P DEST ROLL	241477	3000	0	0	3,000	13.25	39,750.00
MVP0778-...	4 SAS 5P DEST ROLL MED	241486	320	0	0	320	9.50	3,040.00
MVP0778A...	4 SAS 5P DEST ROLL	241489	320	0	0	320	9.50	3,040.00
VJING0055...	11 SAS 5P FULL DEST RELEASE	241478	3150	0	47	3,103	13.00	40,339.00
						Total		\$109,919.60
						Payments/Credits		\$0.00
						Balance Due		\$109,919.60

REVISED

BILL OF LADING					Page <u>1</u>				
Date: 2/1/2017									
SHIP FROM The Vendor Name: Anfield Apparel Group, INC., Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-595-6088 x 109 Fax: 909-598-2691			Bill of Lading Number: 170132 LOADING APPT: ARRIVAL TIME: LOADED: BAR CODE SPACE						
SHIP TO Name: Vanity c/o CIS Address: 201 W. Manville Street, City/State/Zip: Compton, CA 90220 Tel: 562-295-4373 attn: Willie / Carlos FOB: <input type="checkbox"/>			CARRIER NAME: AEP Trailer number: Seal number(s): SCAC: Pro number: BAR CODE SPACE						
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3rd Party <input type="checkbox"/> <input type="checkbox"/> (check box) Master Bill of Lading with attached underlying Bills of Lading						
SPECIAL INSTRUCTIONS:									
CUSTOMER ORDER INFORMATION									
CUSTOMER ORDER NUMBER	# PKGS	PCS	PALLETS/SLIP (CIRCLE ONE)	DESCRIPTION					
241484	115	1499	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N						
241486	15	320	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N						
241489	15	320	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N						
241476	17	323	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N						
241477	134	3000	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N						
241478	204	3103	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N						
GRAND TOTAL	500 ctns	8565							
CARRIER INFORMATION									
HANDLING UNIT		PACKAGE		WEIGHT	H.M. (X)	COMMODITY DESCRIPTION	LTL ONLY		
QTY	TYPE	QTY	TYPE				NMFC #	CLASS	
12	PLTs	500	ctns	9549lbs					
13									
13									
12		500		9549lbs		GRAND TOTAL			
<small>Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: *The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____</small>						COD Amount: \$ _____ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>			
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14705(e)(1)(A) and (B). <small>RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.</small>						<small>This carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.</small> Shipper Signature: _____			
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition				Trailer Loader: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver		Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets add to cartain <input type="checkbox"/> By Driver/Pieces		CARRIER SIGNATURE / PICKUP DATE <small>Carrier acknowledges receipt of packages and related documents. Carrier certifies immediately received information was made available and/or carrier has the U.S. DOT motor carrier responsibility registration and insurance information in the file.</small> Property described above is received in good order, except as noted.	

2-1-31
No Ball
Exch

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice***revised*

Date	Invoice #
2/1/2017	2017-097

Bill To
Vanity Shop of GRand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
vjing0043-...	10 HAR 5P HR TINT RELEASE	241476	3694	0	323	3,371	13.20	44,497.20
VJING0058...	10 HAR 5P FULL DEST DBL	241480	3139	0	2	3,137	12.85	40,310.45
VJING0036...	11 SAS POTASSIUM V DBL BTN	241482	2754	0	0	2,754	12.96	35,691.84
						Total		\$120,499.49
						Payments/Credits		\$0.00
						Balance Due		\$120,499.49

Exhibit “B”

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NORTH DAKOTA

<p>In re Vanity Shop of Grand Forks, Inc.,</p> <p style="text-align: right;">Debtor.</p> <hr/>	<p>Bankruptcy Case No.: 17-30112</p> <p>Chapter 11</p> <p>Adversary No.:</p>
<p>Anfield Apparel Group, Inc. a California Corporation,</p> <p style="text-align: right;">Plaintiff,</p> <p>vs.</p> <p>Vanity Shop of Grand Forks, Inc.,</p> <p style="text-align: right;">Defendant.</p>	

COMPLAINT FOR RECLAMATION FOR IMPOSITION
AND IMPRESSMENT OF A CONSTRUCTIVE TRUST

Plaintiff, for its Complaint, states as follows:

I.

Preliminary Statement.

1. This Complaint seeks reclamation of goods delivered by Plaintiff to Defendant in the 45 day period immediately prepetition. Plaintiff made timely written demands on Defendant for reclamation. Defendant did not return or account for any of Plaintiff's supplied goods.

2. At all times relevant, Defendant did not track vendor supplied goods as to their location and whether such goods had been sold.
3. Defendant does not know if particular goods were in Defendant's warehouse, in one of its stores or if it had sold any particular goods.
4. For these reasons, Defendant has frustrated claims for reclamation and the Court should impose alternative remedies - a trust, an accounting to the extent possible and damages as an administrative claim.

II.

Jurisdiction and Venue.

5. This is a core proceeding as provided for under 28 U.S.C. §157(b)(2)(A), (B) and (O) over which this Court has jurisdiction pursuant to 28 U.S.C. §§157 and 1334 and provisions of the Local Rules of the United States Bankruptcy Court for the District of North Dakota.
6. Defendant's case, No. 17-30112, was filed on March 1, 2017. It is pending in the U. S. Bankruptcy Court for the District of North Dakota.
7. Venue is proper in this district under 28 U.S.C. § 1409(a) as Defendant's bankruptcy case is pending in this district.

III.

Parties.

8. Plaintiff is a California corporation.

9. Defendant is the Debtor-in-Possession with its principal office in Fargo, North Dakota.

IV.

Factual Background.

10. In the 45 day period before Defendant filed its petition, Plaintiff supplied to Defendant, and Defendant received, goods, as indicated in the documents which are attached here as **Exhibit "A"** and incorporated herein by reference as though set forth in full.
- Invoice No. 2017-099, \$19,422
 - Invoice No. 2017-098, \$109,919.60.
 - Invoice No. 2017-097, \$120,499.49
11. The goods Defendant received from Plaintiff in three shipments were clothing meant for sale by Defendant to the public. (Unless indicated otherwise, all references to "goods" shall mean the three shipments referred to above in paragraph 9.)
12. Plaintiff has been in the business of selling clothing to retailers such as Defendant for seven years. Plaintiff has sold clothing goods to Defendant multiple times over a period of seven years.
13. Defendant did not pay Plaintiff for the three shipments of goods Plaintiff supplied to Defendant.

14. Defendant filed its voluntary petition under title 11 on March 1, 2017.
15. At the time Defendant filed its voluntary petition, Plaintiff is informed and thereupon alleges that Defendant was in possession of the goods Plaintiff supplied to Defendant.
16. Plaintiff sent a written demand for reclamation ("First Notice") on March 15, 2017, to Defendant. A copy of the First Notice is attached here, marked **Exhibit "B,"** and incorporated herein by reference as though set forth in full herein.
17. Defendant did not return any goods to Plaintiff.
18. Defendant did not responded to Plaintiff's First Notice.
19. Plaintiff also filed its "Notice of Perfection of Claims of Creditor Anfield Apparel Group, Inc., Under 11 U.S.C. §546(c) and Demand for Segregation of Reclaimed Goods" ("Second Notice") with the Bankruptcy Court via the Court's electronic filing system on March 20, 2017. (Docket no. 142)
20. Defendant received service of the Second Notice through the Court's electronic noticing system. A copy of the Second Notice is attached hereto, marked **Exhibit "C"** and incorporated herein by reference as though set forth in full herein.
21. Again, Defendant did not return any goods.

22. Also, Defendant did not respond to the Second Notice.
23. Plaintiff is informed and believes and thereupon alleges that at the time Plaintiff sent the two notices and Defendant received the two notices, Defendant had possession and control of the goods Plaintiff supplied.
24. At a hearing held in the Bankruptcy Court on March 23, 2017, Defendant stated it did not track goods supplied to it by vendors and Defendant would be unable to ascertain where any of the goods Plaintiff supplied to Defendant were in its warehouse in any of Defendant's many stores or if the goods had been sold as of any date, e.g., the petition date, the dates of the First Notice and Second Notice.
25. Post-petition, a prepetition security interest asserted by Plaintiff's lender, Wells Fargo, Bank, N.A., was paid in full.
26. Prepetition, on February 1, 2017, TGC, LP, a Montana limited partnership, an insider of the Debtor, recorded a lien against Defendant's personal property assets including inventory.
27. The lien was recorded allegedly to secure claims which the insider alleges it holds against the Debtor for monies and which allegedly accrued over a period of years.
28. Given the date when TGC filed this lien, the lien is ineffective as to any reclaiming creditor as TGC did not file its lien in good faith. The lien is

subject to avoidance under the trustee's avoidance powers.

29. Defendant cannot identify and return any of the goods Plaintiff supplied to Plaintiff.
30. Defendant has either sold the goods Plaintiff supplied or has otherwise disposed of these goods, both violating Plaintiff's legal rights.
31. Defendant did not file a motion to address Plaintiff's two written demands for reclamation.

Count 1

For Reclamation.

32. Plaintiff incorporates paragraphs 1 through 30 as though set forth in full herein.
33. Plaintiff seeks reclamation pursuant to title 11 §546(c) and pursuant to statutory and common law.
34. In three shipments in the 45 days prepetition, Plaintiff sold goods to Defendant in the ordinary course of Plaintiff's business.
35. When these sales occurred, Defendant was insolvent. That the Debtor was insolvent is evidenced by the Debtor's admissions in its declarations and financial information filed in this case.
36. Plaintiff made two written reclamation demands on Defendant with both demands made in the statutory time limits provided for by title 11 §546(c).

37. Defendant did not process Plaintiff's goods into other products.
38. At the petition date and at the dates the First Notice and the Second Notice were sent, Defendant had possession and control of Plaintiff's goods.
39. Defendant cannot ascertain what quantity of Plaintiff's supplied goods were in its warehouse, in its stores or if it had sold any portion of these goods once the goods Plaintiff supplied were received by Defendant, at the time the bankruptcy case began or when Plaintiff sent its two notices.
40. Defendant does not maintain records tracking goods nor does Defendant code its inventory for tracking.
41. The Defendant's lender's lien was satisfied post-petition.
42. As to TGC's lien, it was filed shortly before the bankruptcy case began, it allegedly secures obligations incurred over a period of years allegedly in favor of TGC. TGC did not file its lien in good faith.
43. TGC's lien is subject to avoidance.
44. Plaintiff requests that the Court order Defendant to account for and return all of Plaintiff's goods supplied in the three prepetition shipments to Plaintiff.

Count 2

For Imposition and Impressment of a Constructive Trust

45. Plaintiff incorporates paragraphs 1 through 30 and 33 to 42 as though set forth in full herein.

46. By not tracking the goods which Plaintiff supplied, Defendant has (1) frustrated the purposes of the common law and statutory reclamation and has (2) rendered Plaintiff's reclamation remedies ineffective.
47. In the normal course, Defendant should ascertain from its records what portion of the goods Plaintiff supplied prepetition remained in Defendant's possession or control and Defendant would then return those goods identified as being in Defendant's possession or control.
48. Defendant cannot ascertain what goods Plaintiff supplied remained in Defendant's possession or control at any time after the goods were received by Defendant in February, 2017.
49. Due to Defendant's failure to track Plaintiff's goods, Defendant has gained an advantage, whether by fraud, by accident, by mistake, by undue influence, by violation of a trust, or by another wrongful act over Plaintiff.
50. As a result, Defendant is an implied trustee for Plaintiff of the benefit which Defendant gained as a result of the advantage it improperly obtained.
51. Had Defendant not gained this advantage, Defendant (1) would have accounted for Plaintiff's goods in its possession or control and (2) would have returned these goods.
52. In equity, the Court should impress a constructive trust on Defendant's

monies as Defendant unfairly holds Plaintiff's property, monies and the Court should require Defendant to convey those monies to Plaintiff.

53. In the alternative, if the Court determines that impressing a trust on proceeds is not an appropriate remedy, then the Court should fashion an alternative equitable remedy using the Court's powers under title 11 §105.
54. The Court should act so to prevent Defendant from being unjustly enriched by its wrongful interference with Plaintiff's right of reclamation.
55. As Defendant cannot account for Plaintiff's goods or to determine if any of these goods were sold, Defendant should have to pay to Plaintiff the total sum of the three shipments, or \$249,841.09. This result is fair as it is Defendant who did not track the goods and who has frustrated Plaintiff's reclamation rights.

Attorneys' Fees, Conclusion and Prayer

56. The parties' agreement includes a provision for reasonable attorneys' fees for the prevailing party. Plaintiff has incurred fees in its efforts to assert reclamation and will continue to accrue fees and costs. Plaintiff requests an award of reasonable attorneys' fees and costs according to proof.

WHEREFORE: Plaintiff prays for judgment as follows:

1. On Count 1, a judgment in Plaintiff's favor for reclamation of goods, for an accounting and an order Defendant return to Plaintiff all of

Plaintiff's goods supplied in the three shipments referenced *supra*.

2. For a judgment in Plaintiff's favor on Count 2 imposing a trust on the value of the goods Plaintiff supplied to Defendant in the 45 day prepetition period, \$249,841.09, plus interest as may be allowed from the dates Defendant failed to timely pay Plaintiff for the three shipments, or such other equitable remedy as the Court may determine appropriate and consistent with this Complaint.
3. For reasonable attorneys' fees and costs as the Court may allow.
4. For such further alternative relief which is consistent with this Complaint and with this prayer.

Dated: April 18, 2017

Respectfully submitted,

/s/ Steven R. Fox

Steven R. Fox
Fox Law Corporation
17835 Ventura Blvd., Suite 306
Encino, CA 91316
Telephone: (818) 774-3545
Facsimile: (818) 774-3707
Srfox@foxlaw.com

Attorneys for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that on April 18, 2017, I electronically filed the foregoing Complaint for Reclamation for Imposition and Impressment of a Constructive Trust with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all parties of record.

/s/ Steven R. Fox

Steven R. Fox
Fox Law Corporation
17835 Ventura Blvd., Suite 306
Encino, CA 91316
Telephone: (818) 774-3545
Facsimile: (818) 774-3707
Srfox@foxlaw.com

Attorneys for Plaintiff

Exhibit “A”

REVISED

Tom

Date: 1/31/2017		BILL OF LADING		Page <u>1</u>	
SHIP FROM The Vendor Name: Anfield Apparel Group, Inc. Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-595-6088 x 109 Fax: 909-595-2691			Bill of Lading Number: <u>170131</u> LOADING APPT: ARRIVAL TIME: LOADED: BAR CODE SPACE		
SHIP TO Name: Vanity c/o West Coast Warehouse Address: 100 W. Mainville Street, City/State/Zip: Compton, CA 90220 Tel: 310-835-9938x227 attn: Carlos FOB: <input type="checkbox"/>			CARRIER NAME: AEF FREIGHT Trailer number: Seal number(s): SCAC: Pro number: BAR CODE SPACE		
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3 rd Party <input type="checkbox"/> <input type="checkbox"/> Master Bill of Lading: with attached underlying Bills of Lading		
SPECIAL INSTRUCTIONS:					
CUSTOMER ORDER INFORMATION					
CUSTOMER ORDER NUMBER	# PKGS	PCS	PALLET/SKID (CIRCLE ONE)		DESCRIPTION
PRO#241482 Sty#VJING00038A	192 ctns	2764 pcs	Y	N	Lady's Cotton Pants
241480 VJING0058	208 "	3371 "	Y	N	
241476 VJING0043	182 "	3684 "	Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
GRAND TOTAL		580 ctns	9819 Pcs		
CARRIER INFORMATION					
HANDLING UNIT		PACKAGE		COMMODITY DESCRIPTION	
QTY	TYPE	QTY	TYPE	WEIGHT	H.M. (G)
11	Pallets	586	Ctns	10338 Lbs	
GRAND TOTAL					
11		580		10338 Lbs	
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____.					
NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. - 14706(c)(1)(A) and (B). RECEIVED, subject to fully/fully determined rates or contracts that have been agreed upon in writing between the carrier and shipper, it is applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.					
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition				Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/Pieces	
CARRIER SIGNATURE / PICKUP DATE Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available under carrier has the U.S. DOT emergency response guidebook or equivalent documentation in the vehicle. Properly described above is received in good order, except as noted.				Signature Shipper	

Juan Enriquez 01/31/17

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice**

Date	Invoice #
2/2/2017	2017-099

Bill To
Vanity Shop of Grand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
VJING0056...	11 SAS 5P HR LT HIGH LOW V 25	241527	1504	0	0	1,494	13.00	19,422.00
						Total		\$19,422.00
						Payments/Credits		\$0.00
						Balance Due		\$19,422.00

Date: 2/2/2017						BILL OF LADING				Page <u>1</u>			
SHIP FROM The Vendor Name: Anfield Apparel Group, INC., Address: 20861 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-695-6088 x 109 Fax: 909-598-2691						Bill of Lading Number: 170133 LOADING APPT: ARRIVAL TIME: LOADED: <div style="border: 1px solid black; height: 20px; width: 100%;"></div> BAR CODE SPACE							
SHIP TO Name: Vanity c/o CIS Address: 100 W. Manville Street, City/State/Zip: Compton, CA 90220 Tel: 310.635.9938 EXT 227 <div style="text-align: right;">FOB: <input type="checkbox"/></div>						CARRIER NAME: AEF Trailer number: Seal number(s): SCAC: Pro number: <div style="border: 1px solid black; height: 20px; width: 100%;"></div> BAR CODE SPACE							
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:						Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3rd Party <input type="checkbox"/> <input type="checkbox"/> Master Bill of Lading; with attached underlying Bills of Lading							
SPECIAL INSTRUCTIONS:													
CUSTOMER ORDER INFORMATION													
CUSTOMER ORDER NUMBER			# PKGS		PCS		PALLET/SLIP (CIRCLE ONE)		DESCRIPTION				
241527			115		1494		Y N						
							Y N						
							Y N						
							Y N						
							Y N						
							Y N						
GRAND TOTAL			115 ctns		1494								
CARRIER INFORMATION													
HANDLING UNIT		PACKAGE		WEIGHT		H.M. (X)		COMMODITY DESCRIPTION			LTL ONLY		
QTY	TYPE	QTY	TYPE					<small>Commodities requiring special or additional care or attention in handling or stowing must be so marked and packaged as to ensure safe transportation with ordinary care. See Section 2(a) of NMFC Item 800</small>			NMFC #	CLASS	
2	PLTs	115	ctns	1675lbs				100 2/3/17					
2		115		1675lbs				GRAND TOTAL					
<small>Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____"</small>								COD Amount: \$ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>					
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B). <small>RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.</small>													
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition								Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver		Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets sold to contain <input type="checkbox"/> By Driver/Pieces		CARRIER SIGNATURE / PICKUP DATE <small>Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the U.S. DOT emergency response guidebook or equivalent documentation in the vehicle.</small> Signature _____ Shipper	
<small>Property described above is received in good order, except as noted.</small>													

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice**

Date	Invoice #
2/1/2017	2017-098

Bill To
Vanity Shop of GRand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
VJING0056...	11 SAS SP LT ROLL V25	241484	1504	0	5	1,499	13.00	19,487.00
vjing0043-...	10 HAR 5P HR TINT RELEASE	241476	3694	3,371	0	323	13.20	4,263.60
VJING0048...	12 GIRLFRIEND 5P DEST ROLL	241477	3000	0	0	3,000	13.25	39,750.00
MVP0778-...	4 SAS 5P DEST ROLL MED	241486	320	0	0	320	9.50	3,040.00
MVP0778A...	4 SAS 5P DEST ROLL	241489	320	0	0	320	9.50	3,040.00
VJING0055...	11 SAS 5P FULL DEST RELEASE	241478	3150	0	47	3,103	13.00	40,339.00
						Total		\$109,919.60
						Payments/Credits		\$0.00
						Balance Due		\$109,919.60

REVISED

BILL OF LADING						Page <u>1</u>		
Date: 2/1/2017 SHIP FROM: The Vendor Name: Anfield Apparel Group, INC., Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-595-6088 x 109 Fax: 909-598-2691				Bill of Lading Number: 170132 LOADING APPT: ARRIVAL TIME: LOADED: BAR CODE SPACE				
SHIP TO: Name: Vanity c/o CIS Address: 201 W. Manville Street, City/State/Zip: Compton, CA 90220 Tel: 562-295-4373 attn: Willie / Carlos FOB: <input type="checkbox"/>				CARRIER NAME: AEP Trailer number: Seal number(s): SCAC: Pro number:				
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:				BAR CODE SPACE				
SPECIAL INSTRUCTIONS:				Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3rd Party <input type="checkbox"/> <input type="checkbox"/> (check box) Master Bill of Lading with attached underlying Bills of Lading				
CUSTOMER ORDER INFORMATION								
CUSTOMER ORDER NUMBER	# PKGS	PCS	PALLET/S LIP (CIRCLE ONE)		DESCRIPTION			
241484	115	1498	<input checked="" type="checkbox"/> Y	<input type="checkbox"/> N				
241486	15	320	<input checked="" type="checkbox"/> Y	<input type="checkbox"/> N				
241489	15	320	<input checked="" type="checkbox"/> Y	<input type="checkbox"/> N				
241476	17	323	<input checked="" type="checkbox"/> Y	<input type="checkbox"/> N				
241477	134	3000	<input checked="" type="checkbox"/> Y	<input type="checkbox"/> N				
241478	204	3103	<input checked="" type="checkbox"/> Y	<input type="checkbox"/> N				
GRAND TOTAL	500 ctns	8565						
CARRIER INFORMATION								
HANDLING UNIT		PACKAGE		WEIGHT	H.M. (X)	COMMODITY DESCRIPTION <small>Commodities requiring special or abnormal care are indicated in handling or stowage must be so marked and packaged as to ensure such transportation with ordinary care. See Section 104 of NMFC Item 300</small>	LTL ONLY	
QTY	TYPE	QTY	TYPE				NMFC #	CLASS
42+	PLTS	500	ctns	9549lbs				
13								
13								
42+		500		9549lbs		GRAND TOTAL		
<small>Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____</small>						COD Amount: \$ _____ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>		
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14708(c)(1)(A) and (B). <small>RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.</small>						<small>The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.</small> Signature _____ Shipper		
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition				Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver		Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/Pieces		CARRIER SIGNATURE / PICKUP DATE <small>Order acknowledges receipt of packages and required permits. Carrier certifies compliance with applicable laws and regulations and/or carrier has the U.S. DOT and/or other applicable government authority documentation in this mode.</small> Signature _____ <small>Property described above is received in good order, except for noted.</small>

2-1-31

No Pallet
Exch

Case 17-07011 Doc 1 Filed 04/18/17 Entered 04/18/17 17:02:55 Desc Main
Document Page 18 of 30

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice**

revised

Date	Invoice #
2/1/2017	2017-097

Bill To
Vanity Shop of GRand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
vjing0043-...	10 HAR 5P HR TINT RELEASE	241476	8694	0	323	3,371	13.20	44,497.20
VJING0058...	10 HAR 5P FULL DEST DBL	241480	8139	0	2	3,137	12.85	40,310.45
VJING0036...	11 SAS POTASSIUM V DBL BTN	241482	2754	0	0	2,754	12.96	35,691.84
						Total		\$120,499.49
						Payments/Credits		\$0.00
						Balance Due		\$120,499.49

Exhibit “B”

The Fox Law Corporation
Bankruptcy & Related Matters

17835 Ventura Boulevard
Suite 306
Encino, CA 91316
818. 774. 3545 Ph / 818. 774. 3707 FAX
emails@foxlaw.com

March 15, 2017

Jon R. Brakke
Caren W. Stanley
Vogel Law Firm
218 NP Avenue
P.O. Box 1389
Fargo, ND 58107-1389

by email only to jbrakke@vogellaw.com
by email only to cstanley@vogellaw.com

Re: Vanity Shop of Grand Rapids, Inc., chapter 11 filing, 17-30112
Demand for Reclamation

Dear Sir and Madam:

This firm represents Anfield Apparel, Inc., a creditor in the chapter 11 case holding a claim for reclamation of goods.

Attached to this letter are three invoices and bills of lading for shipment of goods in or about early February by Anfield to the Debtor. The attached invoices, in the amounts of \$19,422, \$120,499 and \$109,919.60.

Anfield demands that the Debtor promptly segregate all of the delivered goods, account for them to Anfield and promptly return all of the goods referenced in the three attached invoices and bills of lading. 11 U.S.C. §546(c)(1) Anfield will separately file a notice with the Court.

Anfield reserves all of its legal rights. I would appreciate the chance to speak with you about this in the next few days.

Sincerely yours,

THE FOX LAW CORPORATION

Steven R. Fox

cc: Anfield Apparel, Inc.

Exhibit “C”

UNITED STATES BANKRUPTCY COURT**DISTRICT OF NORTH DAKOTA**

In re:	)	NOTICE OF PERFECTION OF CLAIMS OF
	)	CREDITOR ANFIELD APPAREL GROUP,
Vanity Shop of Grand Forks, Inc.,	)	INC. UNDER 11 U.S.C. §546 AND DEMAND
	)	FOR SEGREGATION OF RECLAIMED
	)	GOODS
)	
	)	Bankruptcy No.: 17-30112
)	
Debtor.	)	Chapter 11

Comes Now Anfield Apparel Group, Inc., ("Anfield") an active California corporation, with its Notice of Perfection under 11 U.S.C. §546.

Anfield delivered goods (the "reclaimed goods") to the Debtor in or about early February, 2017. Anfield was not paid for the goods. As of the filing date of this case was owed monies as reflected in the attached invoices and bills of lading. The reclaimed goods are described in the attached invoices and bills of lading.

Anfield's claim to reclamation of the reclaimed goods is based on valid and perfected and non-avoidable liens.

Anfield sold the goods on credit to the Debtor in the ordinary course of business, in the course of transactions with the Debtor. The Debtor was insolvent when Anfield delivered the goods. Anfield, here and by letter dated March 14, 2017, and addressed to Debtor's counsel, has made timely written demands for the return of the reclaimed goods and has sufficiently described the reclaimed goods by reference to invoices and bills of lading which were attached to the March 14, 2017, letter and which are attached to this Notice. The Debtor had possession of the

goods as of the bankruptcy petition date and as of the date of both demands and the goods were not then in the hands of a buyer in the ordinary course of a good faith purchaser.

Anfield does not consent to the placing of any liens on the reclaimed goods for any purpose including any post-petition financing.

Dated: March 16, 2017

Respectfully submitted,

/s/ Steven R. Fox

Steven R. Fox

Fox Law Corporation

17835 Ventura Blvd., Suite 306

Encino, CA 91316

Telephone: (818) 774-3545

Facsimile: (818) 774-3707

Srfox@foxlaw.com

Attorney for Anfield Apparel Group,
Inc.

CERTIFICATE OF SERVICE

I hereby certify that on March 20, 2017, I electronically filed the foregoing NOTICE OF PERFECTION OF CLAIMS OF CREDITOR ANFIELD APPAREL GROUP, INC. UNDER 11 U.S.C. §546 AND DEMAND FOR SEGREGATION OF RECLAIMED GOODS with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all parties of record.

/s/ Steven R. Fox

Steven R. Fox

Fox Law Corporation

17835 Ventura Blvd., Suite 306

Encino, CA 91316

Telephone: (818) 774-3545

Facsimile: (818) 774-3707

Srfox@foxlaw.com

Attorney for Anfield Apparel Group,
Inc.

REVISED

Tom

Date: 1/31/2017		BILL OF LADING		Page <u>1</u>	
SHIP FROM: The Vendor Name: Anfield Apparel Group, Inc. Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-895-6088 x 109 Fax: 909-898-2691			Bill of Lading Number: <u>170131</u> LOADING APPT: ARRIVAL TIME: LOADED: BAR CODE SPACE		
SHIP TO: Name: Vanity c/o West Coast Warehouse Address: 100 W. Mainville Street, City/State/Zip: Compton, CA 90220 Tel: 310-836-8838 x 227 alt: Carlos FOB: <input type="checkbox"/>			CARRIER NAME: AEF FREIGHT Trailer number: Seal number(s): SCAC: Pro number: BAR CODE SPACE		
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3 rd Party <input type="checkbox"/> <input type="checkbox"/> Master Bill of Lading: with attached underlying Bills of Lading		
SPECIAL INSTRUCTIONS:					
CUSTOMER ORDER INFORMATION					
CUSTOMER ORDER NUMBER	# PKGS	PCS	PALLET/S LIP (CIRCLE ONE)		DESCRIPTION
PRO#241462 Ship#VJING00038A	182 ctns	2764 pcs	Y	N	Lady's Cotton Pants
241480 VJING0068	208 "	3371 "	Y	N	
241476 VJING0043	182 "	3684 "	Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
			Y	N	
GRAND TOTAL		580 ctns	9819 Pcs		
CARRIER INFORMATION					
HANDLING UNIT		PACKAGE		COMMODITY DESCRIPTION	
QTY	TYPE	QTY	TYPE	WEIGHT	LTL ONLY
11	Pallets	580	Ctns	10338 Lbs	NMFC # CLASS
11		580		10338 Lbs	GRAND TOTAL
Where the rate is dependent on value, shippers are required to state specifically the agreed or declared value of the property as follows: The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____.					COB Amount: \$ _____ Fee Terms: Collect <input type="checkbox"/> Prepaid <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B). RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.					
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition.					Signature _____ Shipper
Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver					Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets sold to carrier <input type="checkbox"/> By Driver/Pieces
CARRIER SIGNATURE / PICKUP DATE Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information valid state available under carrier has the U.S. DOT emergency response guidebook or equivalent documentation in the vehicle. Properly described above is received in good order, except as noted.					

Juan Enriquez 01/31/17

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice**

Date	Invoice #
2/2/2017	2017-099

Bill To
Vanity Shop of Grand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
VJING0056...	11 SAS 5P HRLT HIGH LOW V 25	241527	1504	0	0	1,494	13.00	19,422.00
						Total		\$19,422.00
						Payments/Credits		\$0.00
						Balance Due		\$19,422.00

Date: 2/2/2017		BILL OF LADING		Page <u>1</u>	
SHIP FROM The Vendor Name: Anfield Apparel Group, INC., Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-595-6088 x 109 Fax: 909-598-2691			Bill of Lading Number: 170133 LOADING APPT: ARRIVAL TIME: LOADED: BAR CODE SPACE		
SHIP TO Name: Vanity c/o CTS Address: 100 W. Marville Street, City/State/Zip: Compton, CA 90220 Tel: 310.635.9938 EXT 227 FOB: <input type="checkbox"/>			CARRIER NAME: AEF Trailer number: Seal number(s): SCAC: Pro number: BAR CODE SPACE		
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3rd Party <input type="checkbox"/> <input type="checkbox"/> (check box) Master Bill of Lading; with attached underlying Bills of Lading		
SPECIAL INSTRUCTIONS:			CUSTOMER ORDER INFORMATION		
CUSTOMER ORDER NUMBER	# PKGS	PCS	PALLETS/SLIP (CIRCLE ONE)	DESCRIPTION	
241527	115	1494	Y N		
			Y N		
			Y N		
			Y N		
			Y N		
			Y N		
GRAND TOTAL		115 ctns	1494		
CARRIER INFORMATION					
HANDLING UNIT		PACKAGE		COMMODITY DESCRIPTION	LTL ONLY
QTY	TYPE	QTY	TYPE	WEIGHT	H.M. (X)
2	PLTs	115	ctns	1675lbs	(X)
<div style="position: relative; height: 40px;"> 100 2/3/17 </div>					
2		115		1675lbs	
GRAND TOTAL					
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: "The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____."					COD Amount: \$ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B). RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.					
RECEIVER'S SIGNATURE / DATE This is to certify that we have well received goods described above with good condition			Trailer Loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver	Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/Pieces	CARRIER SIGNATURE / PICKUP DATE <small>Carrier acknowledges receipt of packages and required payments. Carrier certifies emergency response information was made available and/or carrier has the U.S. DOT emergency response guidebook or equivalent documentation in the vehicle.</small> Signature _____ Shipper <small>Property described above is received in good order, except as noted.</small>

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice**

Date	Invoice #
2/1/2017	2017-098

Bill To
Vanity Shop of Grand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

P.O. No.	Terms	Project
	45 DAYS	

Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
VJING0056...	11 SAS SP LT ROLL V25	241484	1504	0	5	1,499	13.00	19,487.00
vjing0043...	10 HAR 5P HR TINT RELEASE	241476	3694	3,371	0	323	13.20	4,263.60
VJING0048...	12 GIRLFRIEND 5P DEST ROLL	241477	3000	0	0	3,000	13.25	39,750.00
MVP0778...	4 SAS 5P DEST ROLL MED	241486	320	0	0	320	9.50	3,040.00
MVP0778A...	4 SAS 5P DEST ROLL	241489	320	0	0	320	9.50	3,040.00
VJING0055...	11 SAS 5P FULL DEST RELEASE	241478	3150	0	47	3,103	13.00	40,339.00
						Total		\$109,919.60
						Payments/Credits		\$0.00
						Balance Due		\$109,919.60

REVISED

Date: 2/1/2017		BILL OF LADING		Page <u>1</u>	
SHIP FROM The Vendor Name: Anfield Apparel Group, INC. Address: 20851 Currier Road, City/State/Zip: City of Industry, CA 91789 Tel: 909-595-8088 x 109 Fax: 909-595-2691			Bill of Lading Number: 170132 LOADING APPT: ARRIVAL TIME: LOADED: BAR CODE SPACE		
SHIP TO Name: Vanity c/o OIS Address: 201 W. Maryville Street, City/State/Zip: Compton, CA 90220 Tel: 562-295-4373 attn: Willie / Carlos FOB: <input type="checkbox"/>			CARRIER NAME: AEF Trailer number: Seal number(s): SCAC: Pro number: BAR CODE SPACE		
THIRD PARTY FREIGHT CHARGES BILL TO: Name: Address: City/State/Zip:			Freight Charge Terms: (freight charges are prepaid unless marked otherwise) Prepaid <input checked="" type="checkbox"/> Collect <input type="checkbox"/> 3rd Party <input type="checkbox"/> <input type="checkbox"/> (check box) Master Bill of Lading with attached underlying Bills of Lading		
SPECIAL INSTRUCTIONS:			CUSTOMER ORDER INFORMATION		
CUSTOMER ORDER NUMBER	# PKGS	PCS	PALLET(S) / SLIP (check one)	DESCRIPTION	
241484	118	1498	Y N		
241486	15	320	Y N		
241489	15	320	Y N		
241476	17	323	Y N		
241477	134	3000	Y N		
241478	204	3103	Y N		
GRAND TOTAL	500 ctns	8566			
CARRIER INFORMATION					
HANDLING UNIT		PACKAGE		COMMODITY DESCRIPTION	
QTY	TYPE	QTY	TYPE	WEIGHT	H.M. (X)
12	PLTS	500	ctns	9549lbs	
13					
13					
12		500		9549lbs	
GRAND TOTAL					
Where the rate is dependent on weight, shippers are required to state specifically the weight or declared value of the property as follows: The agreed or declared value of the property is specifically stated by the shipper to be not exceeding:				COD Amount: \$ _____ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>	
NOTE: Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. § 14708(c)(1)(A) and (B). RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.				The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges. Shipper Signature: _____	
RECEIVER'S SIGNATURE/DATE This is to certify that we have well received goods described above in good condition		Trailer loaded: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver		Freight Counted: <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/Package added to cartain <input type="checkbox"/> By Driver/Pieces	
CARRIER SIGNATURE / PICKUP DATE Carrier acknowledges receipt of goods and certain packages. Weight and/or quantity of packages and contents may be checked and/or sealed by the U.S. DOT and/or state or local law enforcement. Shipper's responsibility is to provide accurate information to the carrier.					

2-1-31

No Bill Exch

Case 17-07011 Doc 1 Filed 04/18/17 Entered 04/18/17 17:02:55 Desc Main

Document Page 30 of 30

Case 17-30112 Doc 142 Filed 03/20/17 Entered 03/20/17 11:31:32 Desc Main

Document Page 9 of 9

Anfield Apparel Group, Inc.

20851 Currier Road
City of Industry, CA 91789**Invoice**

revised

Date	Invoice #
2/1/2017	2017-097

Bill To
Vanity Shop of Grand Forks, Inc.

Ship To
VANITY 201 W. MANVILLE ST COMPTON, CA 90220

					P.O. No.	Terms	Project	
						45 DAYS		
Item	Description	S.O. ...	Order...	Prev. Inv...	Backor...	Invoiced	Rate	Amount
vjing0043-...	10 HAR 5P HR TINT RELEASE	241476	3694	0	323	3,371	13.20	44,497.20
VJING0058...	10 HAR 5P FULL DEST DBL	241480	3139	0	2	3,137	12.85	40,310.45
VJING0036...	11 SAS POTASSIUM V DBL BTN	241482	2754	0	0	2,754	12.96	35,691.84

EXHIBIT 3

Proof of Claim No. 281, Filed by TGC

Fill in this information to identify the case:

Debtor Vanity Shop of Grand Forks, Inc.

United States Bankruptcy Court for the: _____ District of _____

Case number 17-30112

RECEIVED

JUN 26 2017

KURTZMAN CARSON CONSULTANTS

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?		TGC, LP Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?		Where should payments to the creditor be sent? (if different)
	TGC, LP Name PO Box 80743 Number Street Billings MT 59108 City State ZIP Code Contact phone (406) 652-8328 Contact email jimb@diamondbco.com Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____		Name Number Street City State ZIP Code Contact phone Contact email
4. Does this claim amend one already filed?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 5,248,777.43. Does this amount include interest or other charges?
☐ No
☒ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.
Loan and interest

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
Nature of property:
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %

☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

RECEIVED

JUN 26 2017

KURTZMAN CARSON CONSULTANTS

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No

☐ Yes. Check one:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

\$ _____

☐ Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ _____

☐ Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☒ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 06/23/2017

MM / DD / YYYY

Signature

RECEIVED

JUN 26 2017

KURTZMAN CARSON CONSULTANTS

Print the name of the person who is completing and signing this claim:

Name James R. Bennett

First name

Middle name

Last name

Title President

Company

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 3529 Gabel Road

Number

Street

Billings

MT

59102

City

State

ZIP Code

Contact phone (406) 652-8328

Email jimbo@diamondbco.com

TGC, LP
PO Box 80743
Billings, MT 59108

Statement Date:
Amounts as of:

6/22/2017
2/28/2017

STATEMENT OF ACCOUNT

Vanity Shop of Grand Forks, Inc.
PO Box 547
Fargo, ND 58107-0547

DATE	DESCRIPTION	CHARGES	CREDITS	ACCOUNT BALANCE
2/28/2017	Loan Principal Outstanding	\$5,000,000.00		\$5,000,000.00
2/28/2017	Interest Outstanding	\$248,777.43		\$5,248,777.43

TGC, LP		Prin
Borrowed	7/11/2013	\$ 2,000,000.00
Borrowed	9/26/2013	\$ 1,000,000.00
Borrowed	2/11/2014	\$ 1,000,000.00
		\$ 4,000,000.00

Interest Rate per Annum 6.50%

	Interest Accr	Balance (P&I)	
7/11/2013		\$ 2,000,000.00	
7/31/2013	7,479.45	2,007,479.45	
8/31/2013	11,041.10	2,018,520.55	
9/24/2013	8,547.95	2,027,068.50	Advance on 9/25/13 of \$1M; interest on \$2M for 9/1/13-9/24/13
9/30/2013	3,205.48	3,030,273.98	interest on \$3M for 9/25/13-9/30/13
10/31/2013	16,561.64	3,046,835.62	
11/30/2013	16,027.40	3,062,863.02	
12/31/2013	16,561.64	3,079,424.66	
1/31/2014	16,561.64	3,095,986.30	
2/10/2014	5,342.47	3,101,328.77	Advance on 2/11/14 of \$1M; interest on \$3M for 2/1/14-2/10/14
2/28/2014	12,821.92	4,114,150.69	interest on \$4M for 2/11/14-2/28/14
3/31/2014	22,082.19	4,136,232.88	
4/30/2014	21,369.86	4,157,602.74	
5/31/2014	22,082.19	4,179,684.93	
6/30/2014	21,369.86	4,201,054.79	
7/31/2014	22,082.19	4,223,136.98	
8/31/2014	22,082.19	4,245,219.17	
9/30/2014	21,369.86	4,266,589.03	
10/31/2014	22,082.19	4,288,671.22	
11/30/2014	21,369.86	4,310,041.08	
12/31/2014	22,082.19	4,332,123.27	
1/31/2015	22,082.19	4,354,205.46	
2/28/2015	19,945.21	4,374,150.67	
3/2/2015	1,424.66	4,375,575.33	Interest on \$4M 3/1/15-3/2/15
3/3/2015	(374,150.47)	(2,374,150.47)	Payment
	1,424.86	2,001,424.86	3/3/15 Balance
3/31/2015	10,328.77	2,011,753.63	Interest 3/3/15-3/31/15
4/30/2015	10,684.93	2,022,438.56	
5/31/2015	11,041.10	2,033,479.66	
6/30/2015	10,684.93	2,044,164.59	
7/31/2015	11,041.10	2,055,205.69	
8/31/2015	11,041.10	2,066,246.79	
9/30/2015	10,684.93	2,076,931.72	
10/31/2015	11,041.10	2,087,972.82	
11/30/2015	10,684.93	2,098,657.75	
12/31/2015	11,041.10	2,109,698.85	
1/30/2016	11,010.93	2,120,709.78	
2/29/2016	10,300.55	2,131,010.33	
2/29/2016	(131,010.33)	(131,010.33)	Interest Payment
	-	2,000,000.00	2/29/16 Balance
3/31/2016	11,010.93	2,011,010.93	
4/30/2016	10,655.74	2,021,666.67	
5/31/2016	11,010.93	2,032,677.60	
6/23/2016	12,254.10	3,044,931.70	Advance on 6/1/16 of \$1M

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6/30/2016	4,972.68	4,049,904.38	Advance on 6/24/16 of \$1M
7/31/2016	22,021.86	4,071,926.24	
8/31/2016	22,021.86	4,093,948.10	
9/30/2016	21,311.48	4,115,259.58	
10/4/2016	2,841.53	4,118,101.11	
10/31/2016	23,975.41	5,142,076.52	Advance on 10/5/16 of \$1M
11/30/2016	26,639.34	5,168,715.86	
12/31/2016	27,527.32	5,196,243.18	
1/31/2017	27,602.74	5,223,845.92	
2/28/2017	24,931.51	5,248,777.43	
3/31/2017	27,602.74	5,276,380.17	
4/29/2017	25,821.92	5,302,202.09	

CERTIFICATE OF SERVICE

I hereby certify that on August 25, 2017, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, causing notice of such filing to be sent to all parties that have appeared in this chapter 11 case.

/s/ Jeffrey Chubak